

Lansing Board of Water and Light Employees' Defined Contribution Pension Plan

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Independent Auditor's Report

Honorable Mayor, Members of City Council,
and Commissioners of the
Board of Water and Light
City of Lansing, Michigan

We have audited the accompanying statement of Plan assets of the Lansing Board of Water and Light Employees' Defined Contribution Pension Plan (the Plan) as of June 30, 2006 and 2005, and the related statement of changes in Plan assets for the years then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the Plan assets of the Plan at June 30, 2006 and 2005, and the changes in Plan assets for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Our audits were performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The statement of changes in Plan assets by fund (supplemental information) is presented for the purpose of additional analysis of the basic financial statements rather than to present information regarding the Plan assets and changes in Plan assets of the individual funds. The supplemental information by fund is not a required part of the basic financial statements. The supplemental information by fund has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Governmental Accounting Standards Board (GASB), Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - For State and Local Governments*, requires a Management Discussion and Analysis be presented along with the financial statements. This information has not been presented.

Plante & Moran, PLLC

A member of



August 28, 2006

Lansing Board of Water and Light Employees' Defined Contribution Pension Plan

Statement of Plan Assets

	June 30	
	2006	2005
Assets		
Participant-directed investments (Note 3):		
Mutual Funds:		
Money Market - Prudential MoneyMart Assets Z	\$ -	\$ 1,146,719
Stable Value Fund - Stable Value 30	25,382,035	21,336,120
Income Funds:		
Dryden High Yield Z	2,075,459	2,381,359
PIMCO Total Return A	-	3,269,479
PIMCO Total Return Bond Admin	3,301,921	-
Oppenheimer Limited Term Government A	-	1,088,952
Dryden Global Total Return Z	416,900	721,527
Balanced Funds:		
AIM Balanced A	-	3,347,062
American Balanced A	4,614,409	4,608,570
Growth and Income Funds:		
Jennison Utility Z	2,088,011	1,780,677
Jennison Value Z	1,625,913	1,375,937
Mutual Qualified Income A	4,876,874	4,455,998
Fidelity Advisor Equity Income T	-	3,992,010
Dryden Stock Index I	7,865,547	7,118,505
Jennison Equity Opportunity Z	1,882,515	1,731,597
PIMCO Stock Plus A	-	1,118,320
Strategic Partners Conservative Growth Z	627,041	541,027
Growth Funds:		
Mutual Discovery A	6,280,063	5,125,059
Jennison U.S. Emerging Growth Z	609,533	308,363
Strategic Partners Moderate Growth Z	4,319,713	750,721
Strategic Partners High Growth Z	909,848	588,849
Jennison Small Company Z	2,394,707	2,038,926
Jennison Blend Z	4,410,610	558,647
Scudder-Dreman High Return Equity A	12,340,960	7,690,962
MFS Massachusetts Investors Trust A	-	3,282,059
Franklin Small-Mid Cap Growth A	9,249,261	6,202,997
Franklin Flex Cap Growth A	-	2,931,063
Jennison Growth Z	4,099,404	3,123,401
Janus Olympus	-	326,035
Dreyfus Small Cap Stock Index	943,642	646,493
ALLIANZ NFJ Small Cap Value A	2,398,497	1,974,751
International Funds:		
Strategic Partners International Value Z	718,414	295,616
Jennison Global Growth Z	-	493,471
Templeton Growth A	10,001,076	8,330,546
MFS Global Total Return A	527,886	517,516
Specialty Funds:		
Eaton Vance Worldwide Sciences A	1,503,920	1,682,519
Scudder Technology A	2,049,377	2,404,603
Janus Global Technology	394,910	310,815
Total mutual funds	117,908,446	109,597,271
Self-directed brokerage account	724,695	630,950
Participant Loans	3,104,069	3,356,250
Assets Held in Trust for Pension Benefits	\$ 121,737,210	\$ 113,584,471

Lansing Board of Water and Light Employees' Defined Contribution Pension Plan

Statement of Changes in Plan Assets

	Year Ended June 30	
	2006	2005
Increases		
Investment income:		
Net appreciation in fair value of investments	\$ 8,957,704	\$ 6,697,946
Interest income	185,978	201,799
Dividend income	1,289,632	1,290,434
Total investment income	10,433,314	8,190,179
Employer contributions (Note 1)	4,983,456	5,319,172
Participant rollover contributions	633,686	13,345
Other	(180,712)	(4,825)
Total increases, net of realized and unrealized gains and losses	15,869,744	13,517,871
Decreases		
Benefits paid to participants	7,372,593	5,923,565
Loan defaults	330,251	264,691
Participants' loan fees	14,161	12,955
Total decreases	7,717,005	6,201,211
Net Increases	8,152,739	7,316,660
Assets Held in Trust for Pension Benefits		
Beginning of year	113,584,471	106,267,811
End of year	<u>\$ 121,737,210</u>	<u>\$ 113,584,471</u>

Lansing Board of Water and Light Employees' Defined Contribution Pension Plan

**Notes to Financial Statements
June 30, 2006 and 2005**

Note 1 - Description of the Plan

The following description of the Lansing Board of Water and Light Employees' Defined Contribution Pension Plan (the Plan) provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

General - The Plan was established by the Lansing Board of Water and Light (the BWL) in 1997 under Section 5-203 of the City Charter. Prior to its establishment, the BWL sponsored a defined benefit plan (Plan for Employees' Pensions of the Board of Water and Light - City of Lansing, Michigan - Defined Benefit Plan) in which substantially all employees of the BWL were participants. Effective December 1, 1997, all active participants of the defined benefit plan were required to make an irrevocable choice to either remain in the defined benefit plan or move to the newly established defined contribution plan (Lansing Board of Water and Light Employees' Defined Contribution Plan). Those participants who elected to move to the defined contribution plan received lump-sum distributions from the defined benefit plan, which were rolled into their accounts in the new defined contribution plan. Of the 760 active participants who were required to make this election, 602 elected to convert their retirement benefits to the newly established defined contribution plan. As a result of this action, effective December 1, 1997, the Board of Commissioners transferred \$75,116,470 to the newly established defined contribution plan, reflecting the plan participants' accumulated benefits as of said date.

The Plan administrator controls and manages the operation and administration of the Plan and has contracted with Prudential Investments Retirement Services to perform certain administrative services.

Contributions - For employees hired before January 1, 1997, the BWL is required to contribute 15 percent of the employees' compensation. For employees hired on or after January 1, 1997, the BWL is required to contribute 8.1 percent of the employees' compensation. In addition, the BWL is required to contribute an additional 3.0 percent of the employees' compensation for all employees who are not eligible to receive overtime pay and 0.5 percent of the employees' compensation for all non-bargaining employees. The Board of Commissioners of the Board of Water and Light - City of Lansing may amend the Plan's provisions and contribution requirements.

Lansing Board of Water and Light Employees' Defined Contribution Pension Plan

**Notes to Financial Statements
June 30, 2006 and 2005**

Note 1 - Description of the Plan (Continued)

Participant Accounts - Each participant's account is credited with the participant's rollover contributions and withdrawals, as applicable, and allocations of BWL contributions and Plan earnings. Allocations are based on participant's earnings or account balances, as defined in the Plan document. Forfeited balances of terminated participants' nonvested accounts are used to reduce future BWL contributions. The benefit to which a participant is entitled is the benefit that can be provided from the participant's account.

As of June 30, 2006, there were 799 participants in the Plan, of which 684 were active employees. As of June 30, 2005, there were 763 participants in the Plan, of which 662 were active employees.

Vesting - Participants vest in the BWL contribution and related earnings at the rate of 20 percent per year after completion of three years of service. Participants become fully vested after seven years of service.

Investment Options - Participants may direct contributions in any of the following investment options, which are administered by Prudential Investments Retirement Services. Since Prudential Investments Retirement Services is the custodian as defined by the Plan, transactions in the Prudential Funds qualify as transactions with parties-in-interest.

Money Market - Seeks maximum current income consistent with stability of capital and the maintenance of liquidity by investing in U.S. Government and agency obligations, bank certificates of deposit, and commercial paper. This type of investment option consists of the following fund:

- Prudential MoneyMart Assets Z

Stable Value - Seeks safety of principal, adequate liquidity, and returns superior to shorter maturity alternatives by actively managing a diversified portfolio of assets issued by highly-rated financial institutions and corporations as well as obligations of the U.S. Government or its agencies. This type of investment option consists of the following fund:

- Stable Value 30

Lansing Board of Water and Light Employees' Defined Contribution Pension Plan

**Notes to Financial Statements
June 30, 2006 and 2005**

Note I - Description of the Plan (Continued)

Income - Seeks to maximize current income, with capital appreciation as a secondary consideration, by investing primarily in debt securities issued by the U.S. Government or its agencies and domestic and foreign corporations. This type of investment option consists of the following funds:

- Dryden High-Yield Z
- PIMCO Total Return A
- PIMCO Total Return Bond Admin.
- Oppenheimer Limited Term Government A
- Dryden Global Total Return Z

Balanced - Seeks both current income and capital appreciation by investing in a combination of stocks, bonds, and money market instruments. This type of investment option consists of the following funds:

- AIM Balanced A
- American Balanced A

Growth and Income - Seeks capital appreciation and current income by investing primarily in common and preferred stocks of corporations typically selected for both appreciation potential and dividend-paying ability. This type of investment option consists of the following funds:

- Jennison Utility Z
- Jennison Value Z
- Mutual Qualified Income A
- Fidelity Advisor Equity Income T
- Dryden Stock Index I
- Jennison Equity Opportunity Z
- PIMCO Stock Plus A
- Strategic Partners Conservative Growth Z

Lansing Board of Water and Light Employees' Defined Contribution Pension Plan

**Notes to Financial Statements
June 30, 2006 and 2005**

Note 1 - Description of the Plan (Continued)

Growth - Seeks long-term capital appreciation by investing primarily in equity securities of companies with above average growth prospects. Current income is a secondary concern. This type of investment option consists of the following funds:

- Mutual Discovery A
- Jennison U.S. Emerging Growth Z
- Strategic Partners Moderate Growth Z
- Strategic Partners High Growth Z
- Jennison Small Company Z
- Jennison Blend Z
- Scudder-Dreman High Return Equity A
- MFS Massachusetts Investors Trust A
- Franklin Small-Mid Cap Growth A
- Franklin Flex Cap Growth A
- Jennison Growth Z
- Janus Olympus
- Dreyfus Small Cap Stock Index
- ALLIANZ NFJ Small Cap Value A

International - Seeks long-term capital appreciation by investing primarily in equity securities of issuers located outside of the U.S. This type of investment option consists of the following funds:

- Strategic Partners International Value Z
- Jennison Global Growth Z
- Templeton Growth A
- MFS Global Total Return A

Specialty - Seeks capital appreciation by concentrating its investments in securities of companies within specific industries or sectors. This type of investment option consists of the following funds:

- Eaton Vance Worldwide Sciences A
- Scudder Technology A
- Janus Global Technology

Lansing Board of Water and Light Employees' Defined Contribution Pension Plan

**Notes to Financial Statements
June 30, 2006 and 2005**

Note 1 - Description of the Plan (Continued)

Self-directed Brokerage Account - Participants with a minimum account balance of \$50,000 may transfer from their fund accounts a minimum of \$10,000 up to a maximum of 50 percent of their account balance to a self-directed brokerage account. Eligible investments are equity securities traded on U.S. exchanges valued at greater than \$5 and over 400 mutual funds from 18 investment management companies. Participants pay a \$100 annual account fee plus applicable commissions.

Loans to Participants - Participants may borrow from their fund accounts a minimum of \$1,000 up to a maximum of the lesser of \$50,000 or 50 percent of their account balance. Loan transactions are treated as a transfer between the investment fund and the loan fund. Loan terms range from one to five years or up to 20 years for the purchase of a primary residence. The loans are secured by the balance in the participant's account and bear interest at a rate commensurate with prevailing rates as determined periodically by the Plan administrator. Principal and interest are paid ratably through payroll deductions.

Payment of Benefits - On termination of service, a participant may elect to receive either a lump-sum amount equal to the value of the participant's vested interest in his or her account, or choose from a variety of periodic payment options.

Note 2 - Summary of Significant Accounting Policies

Basis of Accounting - The financial statements of the Plan have been prepared using the accrual method of accounting in accordance with Governmental Accounting Standards Board ("GASB") Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*.

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of additions and deductions during the reporting period. Actual results could differ from those estimates.

Valuation of Investments and Income Recognition - The investments are stated at market value based on closing sales prices reported on recognized securities exchanges on the last business day of the year, or for listed securities having no sales reported and for unlisted securities, upon the last reported bid prices on that date. The mutual funds are valued at quoted market prices, which represent the net asset values of shares held by the Plan at year end.

Lansing Board of Water and Light Employees' Defined Contribution Pension Plan

Notes to Financial Statements June 30, 2006 and 2005

Note 2 - Summary of Significant Accounting Policies (Continued)

Purchases and sales of investments are recorded on a trade-date basis. Interest income is accrued when earned. Dividend income is recorded on the ex-dividend date.

Valuation of Loans to Participants - The loans to participants are valued at cost plus accrued interest which approximates fair value.

Expenses - The Plan's expenses are paid by BWL as provided by the Plan document.

Regulatory Status - The Plan is not subject to the reporting requirements of the Employee Retirement Income Security Act of 1974 (ERISA) as it has been established for the benefit of a governmental unit.

Note 3 - Investments

During the year ended June 30, 2005, the Lansing Board of Water & Light Employees' Defined Contribution Pension Plan adopted GASB No. 40, *Deposit and Investment Risk Disclosures*. The modified disclosures required by GASB No. 40 are reflected below.

Michigan Compiled Laws Section 129.91 (Public Act 20 of 1943, as amended), authorizes local governmental units to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations that have offices in Michigan. The local unit is allowed to invest in bonds, securities, and other direct obligations of the United States or any agency or instrumentality of the United States; repurchase agreements; bankers' acceptances of United States banks; commercial paper rated within the two highest classifications, which mature not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions, which are rated as investment grade; and mutual funds composed of investment vehicles that are legal for direct investment by local units of government in Michigan.

The pension trust fund is also authorized by Michigan Public Act 314 of 1965, as amended, to invest in certain reverse repurchase agreements, stocks, diversified investment companies, annuity investment contracts, real estate leased to public entities, mortgages, real estate, debt or equity of certain small businesses, certain state and local government obligations, and certain other specified investment vehicles.

The Plan's deposits and investment policies are in accordance with statutory authority.

Lansing Board of Water and Light Employees' Defined Contribution Pension Plan

Notes to Financial Statements June 30, 2006 and 2005

Note 3 - Investments (Continued)

Risks at June 30, 2006

Custodial Credit Risk of Bank Deposits - At the end of the year the Plan has no bank deposits.

Credit Risk - State law limits investments in commercial paper to the top two ratings issued by nationally recognized statistical rating organizations. The Plan has no investment policy that would further limit its investment choices. As of year end, the credit quality ratings of debt securities (other than the U.S. government) are as follows:

Investment	Fair Value	Rating	Rating Organization
Mutual Funds	\$ 117,908,446	Not Rated	Not Rated

Risks at June 30, 2005

Custodial Credit Risk of Bank Deposits - At the end of the year the Plan has no bank deposits.

Credit Risk - State law limits investments in commercial paper to the top two ratings issued by nationally recognized statistical rating organizations. The Plan has no investment policy that would further limit its investment choices. As of year end, the credit quality ratings of debt securities (other than the U.S. government) are as follows:

Investment	Fair Value	Rating	Rating Organization
Mutual Funds	\$ 109,597,271	Not Rated	Not Rated

Note 4 - Plan Termination

Although it has not expressed any intention to do so, the BWL has the right under the Plan to terminate the Plan subject to the provisions set forth in Article 12 of the Plan. In the event of any termination of the Plan, or upon complete or partial discontinuance of contributions, the accounts of each affected participant shall become fully vested.

Lansing Board of Water and Light Employees' Defined Contribution Pension Plan

**Notes to Financial Statements
June 30, 2006 and 2005**

Note 5 - Tax Status

The Plan obtained its determination letter dated March 14, 2002, in which the Internal Revenue Service stated that the Plan, as then designed, was in compliance with the applicable requirements of the Internal Revenue Code. The Plan has since been amended. Management believes the Plan continues to operate as a qualified plan. Therefore, no provision for income taxes has been included in the Plan's financial statements.

Supplemental Information

Lansing Board of Water and Light Employees' Defined Contribution Pension Plan

Statement of Changes in Plan Assets by Fund

	Supplemental Information by Fund			
	Money Market		Stable Value Fund	
	Year Ended June 30		Year Ended June 30	
	2006	2005	2006	2005
Increases				
Investment income:				
Net appreciation (depreciation)				
in fair value of investments	\$ -	\$ 42	\$ 996,013	\$ 807,702
Interest income	2,267	7,012	38,317	41,956
Dividend income	17,583	20,921	102	-
Employer contributions	22,476	64,795	771,162	805,688
Participant rollover contributions	-	-	477,437	-
Loan repayments	11,928	50,103	240,331	224,421
Other	(11)	(211)	(1,361)	(1,326)
Total increases, net of realized and unrealized gains and losses	54,243	142,662	2,522,001	1,878,441
Decreases				
Benefits paid to participants	80,321	186,423	3,024,475	1,819,996
Loans to participants	640	46,159	237,932	196,547
Loan defaults	-	-	-	-
Participants' loan fees	70	575	6,667	5,912
Total decreases	81,031	233,157	3,269,074	2,022,455
Net Increases (Decreases) Prior to Interfund Transfers	(26,788)	(90,495)	(747,073)	(144,014)
Interfund Transfers	(1,119,931)	(391,937)	4,792,988	1,988,169
Net Increases (Decreases)	(1,146,719)	(482,432)	4,045,915	1,844,155
Assets Held in Trust for Pension Benefits				
Beginning of year	1,146,719	1,629,151	21,336,120	19,491,965
End of year	\$ -	\$ 1,146,719	\$ 25,382,035	\$ 21,336,120

Lansing Board of Water and Light Employees' Defined Contribution Pension Plan

Statement of Changes in Plan Assets by Fund (Continued)

	Supplemental Information by Fund			
	Income Funds		Balanced Funds	
	Year Ended June 30		Year Ended June 30	
	2006	2005	2006	2005
Increases				
Investment income:				
Net appreciation (depreciation)				
in fair value of investments	\$ (260,005)	\$ 161,679	\$ 245,728	\$ 231,743
Interest income	8,532	15,727	7,483	10,380
Dividend income	334,282	374,705	127,202	147,948
Employer contributions	258,709	330,569	278,275	373,653
Participant rollover contributions	387	3,337	46,556	-
Loan repayments	40,015	64,618	48,687	67,885
Other	(340)	(9,049)	(56)	(84)
Total increases, net of realized and unrealized gains and losses	381,580	941,586	753,875	831,525
Decreases				
Benefits paid to participants	424,086	691,142	345,653	314,588
Loans to participants	57,257	74,381	56,359	72,455
Loan defaults	-	-	-	-
Participants' loan fees	1,954	2,200	923	944
Total decreases	483,297	767,723	402,935	387,987
Net Increases (Decreases) Prior to Interfund Transfers	(101,717)	173,863	350,940	443,538
Interfund Transfers	(1,565,320)	(614,501)	(3,692,163)	279,059
Net Increases (Decreases)	(1,667,037)	(440,638)	(3,341,223)	722,597
Assets Held in Trust for Pension Benefits				
Beginning of year	7,461,317	7,901,955	7,955,632	7,233,035
End of year	<u>\$ 5,794,280</u>	<u>\$ 7,461,317</u>	<u>\$ 4,614,409</u>	<u>\$ 7,955,632</u>

Lansing Board of Water and Light Employees' Defined Contribution Pension Plan

Statement of Changes in Plan Assets by Fund (Continued)

	Supplemental Information by Fund			
	Growth & Income Funds		Growth Funds	
	Year Ended June 30		Year Ended June 30	
	2006	2005	2006	2005
Increases				
Investment income:				
Net appreciation (depreciation)				
in fair value of investments	\$ 2,275,198	\$ 1,695,568	\$ 4,144,858	\$ 3,211,730
Interest income	27,494	33,278	77,986	70,343
Dividend income	320,267	331,887	322,313	257,202
Employer contributions	816,884	1,018,917	2,157,464	1,992,642
Participant rollover contributions	-	-	108,148	8,674
Loan repayments	167,963	210,855	431,564	469,933
Other	(2,834)	(5,761)	1,648	19,091
Total increases, net of realized and unrealized gains and losses	3,604,972	3,284,744	7,243,981	6,029,615
Decreases				
Benefits paid to participants	1,106,170	920,911	1,648,948	1,336,264
Loans to participants	214,409	243,266	608,204	637,578
Loan defaults	-	-	-	-
Participants' loan fees	2,463	1,815	2,038	1,403
Total decreases	1,323,042	1,165,992	2,259,190	1,975,245
Net Increases (Decreases) Prior to Interfund Transfers	2,281,930	2,118,752	4,984,791	4,054,370
Interfund Transfers	(5,430,100)	(587,449)	7,423,121	201,600
Net Increases (Decreases)	(3,148,170)	1,531,303	12,407,912	4,255,970
Assets Held in Trust for Pension Benefits				
Beginning of year	22,114,071	20,582,768	35,548,326	31,292,356
End of year	<u>\$ 18,965,901</u>	<u>\$ 22,114,071</u>	<u>\$ 47,956,238</u>	<u>\$ 35,548,326</u>

Lansing Board of Water and Light Employees' Defined Contribution Pension Plan

Statement of Changes in Plan Assets by Fund (Continued)

	Supplemental Information by Fund			
	International Funds		Specialty Funds	
	Year Ended June 30		Year Ended June 30	
	2006	2005	2006	2005
Increases				
Investment income:				
Net appreciation (depreciation)				
in fair value of investments	\$ 1,386,315	\$ 805,598	\$ 204,839	\$ (243,427)
Interest income	13,393	12,455	10,506	10,648
Dividend income	167,659	157,771	224	-
Employer contributions	430,255	407,975	248,231	324,933
Participant rollover contributions	1,158	1,334	-	-
Loan repayments	87,071	72,333	69,397	73,834
Other	(151)	(5,757)	(112)	(87)
Total increases, net of realized and unrealized gains and losses	2,085,700	1,451,709	533,085	165,901
Decreases				
Benefits paid to participants	492,605	515,896	234,006	138,345
Loans to participants	94,088	108,314	83,632	62,652
Loan defaults	-	-	-	-
Participants' loan fees	25	81	21	25
Total decreases	586,718	624,291	317,659	201,022
Net Increases (Decreases) Prior to Interfund Transfers	1,498,982	827,418	215,426	(35,121)
Interfund Transfers	111,245	423,129	(665,156)	(1,326,382)
Net Increases (Decreases)	1,610,227	1,250,547	(449,730)	(1,361,503)
Assets Held in Trust for Pension Benefits				
Beginning of year	9,637,149	8,386,602	4,397,937	5,759,440
End of year	<u>\$ 11,247,376</u>	<u>\$ 9,637,149</u>	<u>\$ 3,948,207</u>	<u>\$ 4,397,937</u>

Lansing Board of Water and Light Employees' Defined Contribution Pension Plan

Statement of Changes in Plan Assets by Fund (Continued)

	Supplemental Information by Fund			
	Total Mutual Funds		Brokerage Account	
	Year Ended June 30		Year Ended June 30	
	2006	2005	2006	2005
Increases				
Investment income:				
Net appreciation (depreciation)				
in fair value of investments	\$ 8,992,946	\$ 6,670,635	\$ (35,242)	\$ 27,311
Interest income	185,978	201,799	-	-
Dividend income	1,289,632	1,290,434	-	-
Employer contributions	4,983,456	5,319,172	-	-
Participant rollover contributions	633,686	13,345	-	-
Loan repayments	1,096,956	1,233,982	-	-
Other	(3,217)	(3,184)	-	-
Total increases, net of realized and unrealized gains and losses	17,179,437	14,726,183	(35,242)	27,311
Decreases				
Benefits paid to participants	7,356,264	5,923,565	16,329	-
Loans to participants	1,352,521	1,441,352	-	-
Loan defaults	-	-	-	-
Participants' loan fees	14,161	12,955	-	-
Total decreases	8,722,946	7,377,872	16,329	-
Net Increases (Decreases) Prior to Interfund Transfers	8,456,491	7,348,311	(51,571)	27,311
Interfund Transfers	(145,316)	(28,312)	145,316	28,312
Net Increases (Decreases)	8,311,175	7,319,999	93,745	55,623
Assets Held in Trust for Pension Benefits				
Beginning of year	109,597,271	102,277,272	630,950	575,327
End of year	<u>\$ 117,908,446</u>	<u>\$ 109,597,271</u>	<u>\$ 724,695</u>	<u>\$ 630,950</u>

Lansing Board of Water and Light Employees' Defined Contribution Pension Plan

Statement of Changes in Plan Assets by Fund (Continued)

	Supplemental Information by Fund			
	Participant Loans		Total Investments	
	Year Ended June 30		Year Ended June 30	
	2006	2005	2006	2005
Increases				
Investment income:				
Net appreciation (depreciation)				
in fair value of investments	\$ -	\$ -	\$ 8,957,704	\$ 6,697,946
Interest income	-	-	185,978	201,799
Dividend income	-	-	1,289,632	1,290,434
Employer contributions	-	-	4,983,456	5,319,172
Participant rollover contributions	-	-	633,686	13,345
Loan repayments	(1,096,956)	(1,233,982)	-	-
Other	(177,495)	(1,641)	(180,712)	(4,825)
Total increases, net of realized and unrealized gains and losses	(1,274,451)	(1,235,623)	15,869,744	13,517,871
Decreases				
Benefits paid to participants	-	-	7,372,593	5,923,565
Loans to participants	(1,352,521)	(1,441,352)	-	-
Loan defaults	330,251	264,691	330,251	264,691
Participants' loan fees	-	-	14,161	12,955
Total decreases	(1,022,270)	(1,176,661)	7,717,005	6,201,211
Net Increases (Decreases) Prior to Interfund Transfers	(252,181)	(58,962)	8,152,739	7,316,660
Interfund Transfers	-	-	-	-
Net Increases (Decreases)	(252,181)	(58,962)	8,152,739	7,316,660
Assets Held in Trust for Pension Benefits				
Beginning of year	3,356,250	3,415,212	113,584,471	106,267,811
End of year	<u>\$ 3,104,069</u>	<u>\$ 3,356,250</u>	<u>\$ 121,737,210</u>	<u>\$ 113,584,471</u>